

House File 2471 - Introduced

HOUSE FILE 2471

BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO HF 2430)

A BILL FOR

1 An Act relating to the Iowa individual income tax checkoffs by
2 modifying the Iowa election campaign income tax checkoff and
3 providing for the future repeal of the checkoff, by creating
4 an income tax checkoff for the reduction of food insecurity
5 within this state and providing for the future repeal of
6 the checkoff, making an appropriation, creating a study
7 committee, and including effective date provisions.
8 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

DIVISION I

INCOME TAX CHECKOFF FOR IOWA CHECK OFF HUNGER FUND

Section 1. NEW SECTION. 231.67 Iowa check off hunger fund.

1. An Iowa check off hunger fund is created in the state treasury under the control of the department. The fund is composed of moneys appropriated or available to and obtained or accepted by the treasurer of state for deposit in the fund. The fund shall include moneys transferred to the fund pursuant to an income tax checkoff provided in chapter 422, division II, if applicable. Notwithstanding section 12C.7, subsection 2, interest or earnings on moneys in the fund shall be credited to and remain in the fund. Section 8.33 does not apply to moneys in the fund.

2. Moneys in the fund are appropriated to the department to provide grants to persons to be used for the purpose of reducing food insecurity within the state. The grants shall be awarded as follows:

a. Forty percent of the moneys in the fund shall be awarded to a nonprofit, tax-exempt association, chosen by the department, that receives donations under section 170 of the Internal Revenue Code and whose members include Iowa food banks and their affiliates that together serve all counties in the state, to be used to purchase food for distribution to food-insecure Iowans.

b. Fifty percent of the moneys in the fund shall be awarded to each area agency on aging designated under section 231.32 in the proportion that the estimated amount of older individuals in Iowa served by that area agency on aging bears to the total estimated amount of older individuals in Iowa, to be used to provide congregate meals and home-delivered meals to food-insecure older individuals in Iowa.

c. Ten percent of the moneys in the fund shall be awarded to persons who are using innovative ways to reduce food insecurity in this state. To be eligible to receive a grant pursuant to this paragraph "c", a person shall apply to the department

1 in the manner prescribed by the department. In reviewing
2 applications and making grants pursuant to this paragraph "c",
3 the department may consider any factors the department deems
4 appropriate.

5 3. The department shall adopt rules to administer the Iowa
6 check off hunger fund.

7 Sec. 2. NEW SECTION. **422.12I Income tax checkoff for Iowa**
8 **check off hunger fund.**

9 1. Notwithstanding section 422.12E, for the tax year
10 beginning in the 2014 calendar year, a person who files an
11 individual or a joint income tax return with the department
12 of revenue under section 422.13 may designate one dollar or
13 more to be paid to the Iowa check off hunger fund created in
14 section 231.67. If the refund due on the return or the payment
15 remitted with the return is insufficient to pay the additional
16 amount designated by the taxpayer to the Iowa check off hunger
17 fund, the amount designated shall be reduced to the remaining
18 amount of refund or the remaining amount remitted with the
19 return. The designation of a contribution to the Iowa check
20 off hunger fund under this section is irrevocable.

21 2. The director of revenue shall draft the 2014 income
22 tax form to allow the designation of contributions to the
23 Iowa check off hunger fund on the tax return. The department
24 of revenue shall transfer the total amount designated on the
25 2014 tax return forms to the Iowa check off hunger fund.
26 However, before a checkoff pursuant to this section shall be
27 permitted, all liabilities on the books of the department of
28 administrative services and accounts identified as owing under
29 section 8A.504 and the political contribution allowed under
30 section 68A.601 shall be satisfied.

31 3. The department on aging may authorize payment of moneys
32 from the Iowa check off hunger fund, in accordance with section
33 231.67.

34 4. The department of revenue shall adopt rules to administer
35 this section.

1 5. This section is repealed January 1, 2015.

2 DIVISION II

3 IOWA ELECTION CAMPAIGN FUND TAX CHECKOFF

4 Sec. 3. Section 68A.601, Code 2014, is amended to read as
5 follows:

6 **68A.601 Checkoff — income tax.**

7 A For tax years beginning before January 1, 2014, a person
8 whose state income tax liability for any taxable year is one
9 dollar and fifty cents or more may direct that one dollar and
10 fifty cents of that liability be paid over to the Iowa election
11 campaign fund when submitting the person's state income tax
12 return to the department of revenue. In the case of a joint
13 return of husband and wife having a state income tax liability
14 of three dollars or more, each spouse may direct that one
15 dollar and fifty cents be paid to the fund. ~~The~~ For tax years
16 beginning before January 1, 2014, the director of revenue shall
17 draft the income tax form to provide spaces on the tax return
18 which the taxpayer may use to designate that contributions made
19 under this section be credited to a specified political party
20 as defined by section 43.2, or to the Iowa election campaign
21 fund as a contribution to be shared by all such political
22 parties in the manner prescribed by section 68A.602. The form
23 shall inform the taxpayer of the consequences of the choices
24 provided under this section, but this information may be
25 contained in a footnote or other suitable form if the director
26 of revenue finds it is not feasible to place the information
27 immediately above the signature line. The action taken by a
28 person for the checkoff is irrevocable.

29 Sec. 4. Section 422.12J, Code 2014, is amended to read as
30 follows:

31 **422.12J Income tax checkoff for Iowa election campaign fund.**

32 A For tax years beginning before January 1, 2014, a person
33 who files an individual or a joint income tax return with
34 the department of revenue under section 422.13 may designate
35 a contribution to the Iowa election campaign fund authorized

1 pursuant to section 68A.601.

2

DIVISION III

3

FUTURE REPEAL OF IOWA ELECTION CAMPAIGN FUND TAX CHECKOFF

4

Sec. 5. Section 68A.103, subsection 2, Code 2014, is amended
5 by striking the subsection.

6

Sec. 6. Section 97B.3, subsection 2, Code 2014, is amended
7 to read as follows:

8

2. The qualifications for appointment as the chief
9 executive officer shall include management-level pension
10 fund administration experience. The qualifications for
11 appointment as the chief executive officer shall also
12 include a demonstrated knowledge of all aspects of pension
13 fund administration, including financial management,
14 investment asset management, benefit design and delivery,
15 legal administration, and operations administration. The
16 chief executive officer shall not be selected on the basis
17 of political affiliation, and while employed as the chief
18 executive officer, shall not be a member of a political
19 committee, participate in a political campaign, or be a
20 candidate for a partisan elective office, and shall not
21 contribute to a political campaign fund, except that the chief
22 executive officer may designate on the checkoff portion of the
23 ~~state or federal income tax return, or both,~~ a party or parties
24 to which a contribution is made pursuant to the checkoff. The
25 chief executive officer shall not hold any other office under
26 the laws of the United States or of this or any state and shall
27 devote full time to the duties of office.

28

Sec. 7. Section 422.12D, subsection 4, Code 2014, is amended
29 to read as follows:

30

4. The department shall adopt rules to implement this
31 section. However, before a checkoff pursuant to this section
32 shall be permitted, all liabilities on the books of the
33 department of administrative services and accounts identified
34 as owing under section 8A.504 ~~and the political contribution~~
35 ~~allowed under section 68A.601~~ shall be satisfied.

1 Sec. 8. Section 422.12E, subsection 1, Code 2014, is amended
2 to read as follows:

3 1. For tax years beginning on or after January 1, 2004,
4 there shall be allowed no more than four income tax return
5 checkoffs on each income tax return. When the same four income
6 tax return checkoffs have been provided on the income tax
7 return for two consecutive years, the two checkoffs for which
8 the least amount has been contributed, in the aggregate for the
9 first tax year and through March 15 of the second tax year, are
10 repealed. ~~This section does not apply to the income tax return~~
11 ~~checkoff provided in section 68A.601.~~

12 Sec. 9. Section 422.12K, subsection 2, Code 2014, is amended
13 to read as follows:

14 2. The director of revenue shall draft the income tax form
15 to allow the designation of contributions to the child abuse
16 prevention program fund on the tax return. The department of
17 revenue, on or before January 31, shall transfer the total
18 amount designated on the tax return forms due in the preceding
19 calendar year to the child abuse prevention program fund.
20 However, before a checkoff pursuant to this section shall be
21 permitted, all liabilities on the books of the department of
22 administrative services and accounts identified as owing under
23 section 8A.504 ~~and the political contribution allowed under~~
24 ~~section 68A.601~~ shall be satisfied.

25 Sec. 10. Section 422.12L, subsection 2, Code 2014, is
26 amended to read as follows:

27 2. The director of revenue shall draft the income tax form
28 to allow the designation of contributions to the veterans trust
29 fund and to the volunteer fire fighter preparedness fund as
30 one checkoff on the tax return. The department of revenue,
31 on or before January 31, shall transfer one-half of the total
32 amount designated on the tax return forms due in the preceding
33 calendar year to the veterans trust fund and the remaining
34 one-half to the volunteer fire fighter preparedness fund.
35 However, before a checkoff pursuant to this section shall be

1 permitted, all liabilities on the books of the department of
2 administrative services and accounts identified as owing under
3 section 8A.504 ~~and the political contribution allowed under~~
4 ~~section 68A.601~~ shall be satisfied.

5 Sec. 11. Section 456A.16, unnumbered paragraph 7, Code
6 2014, is amended to read as follows:

7 The department shall adopt rules to implement this section.
8 However, before a checkoff pursuant to this section shall be
9 permitted, all liabilities on the books of the department of
10 administrative services and accounts identified as owing under
11 section 8A.504 ~~and the political contribution allowed under~~
12 ~~section 68A.601~~ shall be satisfied.

13 Sec. 12. Section 474.10, Code 2014, is amended to read as
14 follows:

15 **474.10 General counsel.**

16 The board shall employ a competent attorney to serve as its
17 general counsel, and assistants to the general counsel as it
18 finds necessary for the full and efficient discharge of its
19 duties. The general counsel is the attorney for, and legal
20 advisor of, the board and is exempt from the merit system
21 provisions of chapter 8A, subchapter IV. Assistants to the
22 general counsel are subject to the merit system provisions of
23 chapter 8A, subchapter IV. The general counsel or an assistant
24 to the general counsel shall provide the necessary legal advice
25 to the board in all matters and represent the board in all
26 actions instituted in a state or federal court challenging
27 the validity of a rule or order of the board. The existence
28 of a fact which disqualifies a person from election or from
29 acting as a utilities board member disqualifies the person from
30 employment as general counsel or assistant general counsel.
31 The general counsel shall devote full time to the duties of the
32 office. During employment the counsel shall not be a member of
33 a political committee, contribute to a political campaign fund
34 other than through the income tax checkoff for contributions to
35 ~~the Iowa election campaign fund and the presidential election~~

1 campaign fund, participate in a political campaign, or be a
2 candidate for a political office.

3 Sec. 13. Section 475A.1, subsection 4, Code 2014, is amended
4 to read as follows:

5 4. *Political activity prohibited.* The consumer advocate
6 shall devote the advocate's entire time to the duties of the
7 office; and during the advocate's term of office the advocate
8 shall not be a member of a political committee or contribute
9 to a political campaign fund other than through the income tax
10 checkoff for contributions to ~~the Iowa election campaign fund~~
11 ~~and~~ the presidential election campaign fund or take part in
12 political campaigns or be a candidate for a political office.

13 Sec. 14. Section 904.107, Code 2014, is amended to read as
14 follows:

15 **904.107 Director — appointment and qualifications.**

16 The chief administrative officer for the department is the
17 director. The director shall be appointed by the governor
18 subject to confirmation by the senate and shall serve at the
19 pleasure of the governor. The director shall be qualified
20 in reformatory and prison management, knowledgeable in
21 community-based corrections, and shall possess administrative
22 ability. The director shall also have experience in the field
23 of criminology and discipline and in the supervision of inmates
24 in corrective penal institutions. The director shall not be
25 selected on the basis of political affiliation, and while
26 employed as the director, shall not be a member of a political
27 committee, participate in a political campaign, be a candidate
28 for a partisan elective office, and shall not contribute to a
29 political campaign fund, except that the director may designate
30 on the checkoff portion of the ~~state or~~ federal income tax
31 return, ~~or both~~, a party or parties to which a contribution is
32 made pursuant to the checkoff. The director shall not hold any
33 other office under the laws of the United States or of this or
34 any state or hold any position for profit and shall devote full
35 time to the duties of office.

1 Sec. 15. REPEAL. Sections 68A.601, 68A.602, 68A.603,
2 68A.604, 68A.605, 68A.606, 68A.607, 68A.608, 68A.609, and
3 422.12J, Code 2014, are repealed.

4 Sec. 16. EFFECTIVE DATE. This division of this Act takes
5 effect July 1, 2015.

6 DIVISION IV

7 STUDY COMMITTEE

8 Sec. 17. INCOME TAX CHECKOFF STUDY COMMITTEE.

9 1. The legislative council is requested to establish an
10 income tax checkoff study committee. The objective of the
11 study committee shall be to review the use and effectiveness of
12 individual income tax checkoffs in Iowa, and the desirability
13 for making changes to the number, type, or administration of
14 the individual income tax checkoffs.

15 2. The study committee shall meet during the 2014
16 legislative interim. The study committee shall submit a report
17 and recommendations to the general assembly by January 1, 2015.

18 EXPLANATION

19 The inclusion of this explanation does not constitute agreement with
20 the explanation's substance by the members of the general assembly.

21 This bill relates to Iowa individual income tax checkoffs.
22 Division I of the bill provides that taxpayers filing a 2014
23 individual income tax return will be allowed to designate \$1 or
24 more on the return to be paid to the Iowa check off hunger fund.
25 The checkoff is repealed January 1, 2015. The division creates
26 the Iowa check off hunger fund in the state treasury under the
27 control of the department on aging. The division requires
28 the department of revenue to remit moneys collected from the
29 checkoff to the fund. Moneys in the fund are appropriated to
30 the department on aging and shall be used to provide grants
31 to specified entities and other persons to be used for the
32 purpose of reducing food insecurity in the state. The division
33 provides rules for the distribution of the grants. Forty
34 percent of the moneys in the fund are required to be awarded
35 to a nonprofit association, chosen by the department on aging,

1 whose members include Iowa food banks and their affiliates
2 that together serve all counties in the state, to be used to
3 purchase food for distribution to food-insecure Iowans. Fifty
4 percent of the moneys in the fund are required to be awarded
5 to each area agency on aging designated under Code section
6 231.32 in the proportion that the estimated amount of older
7 individuals in Iowa served by that area agency on aging bears
8 to the total estimated amount of older individuals in Iowa, to
9 be used to provide congregate meals and home-delivered meals to
10 food-insecure older individuals in Iowa. Ten percent of the
11 moneys in the fund are required to be awarded to persons who
12 are using innovative ways to reduce food insecurity in this
13 state and who make an application to the department on aging
14 for such a grant.

15 The division provides that the checkoff is not subject to
16 Code section 422.12E. Code section 422.12E allows no more than
17 four checkoffs on the individual tax return form and provides
18 for the automatic repeal of the two checkoffs receiving the
19 least in contributions over a two-year period.

20 Divisions II and III relate to the Iowa election campaign
21 income tax checkoff and the Iowa election campaign fund.

22 CURRENT LAW. The Iowa election campaign tax checkoff allows
23 individuals to designate on their income tax return up to \$1.50
24 of their state tax liability to the Iowa election campaign
25 fund. The checkoff is not subject to the provisions of Code
26 section 422.12E.

27 Moneys in the Iowa election campaign fund, consisting of
28 a separate fund for each political party, are disbursed to
29 candidates for partisan public office at the request of the
30 candidate and at the discretion of the state central committee
31 of each political party. The Iowa ethics and campaign
32 disclosure board is responsible for administering the Iowa
33 election campaign fund. Any moneys not used by the political
34 parties by the end of a general election year revert to the
35 general fund of the state.

1 Division II of the bill restricts the Iowa election
2 campaign income tax checkoff to tax years beginning before
3 January 1, 2014. The checkoff will not be available on the
4 individual income tax return for tax year 2014, nor any tax
5 year thereafter.

6 Division III of the bill provides that the Iowa election
7 campaign income tax checkoff and the Iowa election campaign
8 fund are repealed effective July 1, 2015.

9 Division IV requests the legislative council to establish
10 an income tax checkoff study committee to meet during the 2014
11 legislative interim and review the use and effectiveness of
12 individual income tax checkoffs in Iowa, and the desirability
13 for making changes to their number, type, or administration.
14 The study committee is required to submit a report and
15 recommendations to the general assembly by January 1, 2015.